# Management Discussion and Analysis

LOOKING AHEAD

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### MAJOR ISSUES, UNCERTAINTIES, RISKS, AND CONCERNS

LOOKING AHEAD

The Department faces a number of key challenges. We view the following as among the most significant, for their importance to our mission or to the nation's well-being, for their complexity, for their cost, or for the urgency of their need for management improvements.

#### 2000 DECENNIAL CENSUS

Our top management priority is to ensure that the 2000 Census, which will employ some 300,000 staff and entail the award of some \$1 billion in contracts, is managed effectively and efficiently. The Census-sometimes called the "management Olympics"-is the most complex mobilization our nation faces short of going to war. A project of this magnitude requires an enormous amount of organization, discipline, and attention to detail.

We are committed to making Census 2000 the most accurate census ever. To do this, we have taken extensive steps to monitor and manage the risks associated with personnel, payroll, real estate, civil rights, procurement, human resources, security, technology, accounting, and other issues related to design. We have additionally paid close attention to the guidance and criticism received from the OIG, the GAO, and Congress.

#### NATIONAL WEATHER SERVICE MODERNIZATION



The National Weather Service Modernization and Restructuring efforts will be completed in FY 2000. The Advanced Weather Interactive Processing Systems (AWIPS) have been deployed to all the National Weather Service forecast offices. The commissioning of these systems, along with the remaining few Automated Surface Observing Systems, will be completed this year. Approximately 85 percent of the office closures were approved by the end of FY 1999, and the process of closing all the remaining offices, where no degradation of services has been established, will be completed this year.

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### IMPLEMENTATION OF THE COMMERCE ADMINISTRATIVE MANAGEMENT SYSTEM

Implementation of the Commerce Administrative Management System (CAMS) is critical as we seek to achieve full FMFIA compliance and to realize our goal of a single, integrated financial management system capable of providing timely, complete, and reliable information. We have made much progress in this endeavor, but full implementation is proving to be a challenge as we are continually required to revise our strategies and timetables.

#### NTIS FINANCIAL STABILITY

The NTIS supports itself through fees charged for its products and services. Between FY 1995 and FY 1998, the NTIS incurred a cumulative loss of \$4.8 million. The use of several cost reduction measures enabled the agency to report a surplus of approximately \$650,000 in FY 1999, but the Department must nonetheless continue its dialogue with Congress, the Library of Congress, and other pertinent agencies as we seek to achieve financial stability for the NTIS.

## PTO CHALLENGES: SPACE REQUIREMENTS AND FINANCING

The PTO space consolidation project continues to be a major challenge for the agency. On June 14, 1999 the General Services Administration (GSA) announced its selection of an offeror for a new consolidated PTO facility that will provide approximately two million square feet of occupiable space within five connected office buildings in Alexandria, Virginia. GSA expects to award a twenty-year lease to the developer. PTO expects the consolidation from the 18 buildings to five buildings to result in operating efficiencies.

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#### GOVERNMENT PERFORMANCE AND RESULTS ACT

Although we made much progress toward GPRA compliance during FY 1999, much more remains to be done in this evolving process. Specifically, we must strengthen our data validation and verification processes to ensure that performance information is based on reliable and accurate data. We will also explore other ways of showing the relationship between performance goals and program activities as we seek to support our budget requests, and to clearly show how we plan to exercise strategies and use our resources to achieve our annual goals and targets.

### INITIATIVES AND PRIORITIES

Given the Department's mission, vision, Strategic Goals, and the major issues discussed above, the Secretary has identified the following initiatives and priorities to focus the Department's energies in FY 2000 and beyond:

#### CONDUCTING THE DECENNIAL CENSUS

The Decennial Census is the Department's top priority for FY 2000. Specifically, through a combination of questionnaires and on-site visits, we will count more than 275 million Americans. Census 2000 data will be used to apportion seats in the U.S. House of Representatives, to determine the boundaries of State legislative districts, and to allocate funds.

# EXPANDING E-COMMERCE: CLOSING THE DIGITAL DIVIDE

This initiative is focused on the goal of providing universal Internet access to businesses and consumers in order to ensure that information technologies remain an engine of economic growth for America and that we take more steps to close the Digital Divide in America. Specifically, we will focus on bringing online services to those who have yet to participate in or benefit from digital electronic communications. Major programs will include increasing the number of e-businesses and working to increase online security and bridging the Digital Divide.

#### BROADENING TRADE

As always, increasing access to foreign markets for American products will continue to be a major focus of the Department's efforts. This strategy is designed to enhance America's global competitiveness by building a stronger consensus for U.S. export trade policies; by ensuring compliance with international trade agreements; by developing business in traditionally under-served regions; and by helping to establish commercial infrastructure in emerging markets. It should be noted that the Secretary will lead Administration efforts to gain Congressional approval for the granting of permanent Normal Trade Relations for China, and thereby to support China's accession to the World Trade Organization.

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## CONTINUING SUCCESS WITH ENVIRONMENTAL ISSUES/NATURAL RESOURCES

Through NOAA, the Department plans to expand its range of programs that seek to increase our knowledge and understanding of the land, water, and air. Specifically, our goals are to reduce the cost of natural disasters by 10 percent, to reduce overfishing and to build sustainable use of coastal and marine resources, including, the National Marine Sanctuaries, as part of the Administration's Land Legacy initiative.

#### FOSTERING DIVERSITY

The Department plans to continue its efforts to champion diversity, both within the Department and in serving its customers. Initiatives relating to this effort include helping institutions that serve minority groups, promoting welfare-to-work programs, pursuing an Hispanic employment initiative, launching a revised candidate development program, and improving our Department Diversity Council.

## IMPROVING THE NATION'S STATISTICAL INFRASTRUCTURE

Spearheaded by the BEA, this initiative aims to improve the quality and timeliness of the information we deliver to businesses and policymakers and to provide an accurate measure of the effect of technology on the economy.

## PROMOTE NATIVE AMERICAN ECONOMIC DEVELOPMENT

The United States is enjoying the longest and one of the strongest economic expansions in its history, but the country's Native Americans are being left behind. We plan to publish a guide for Native Americans on Departmental programs and activities, to create an Internet site for Native American-specific information at the Department, to expand our outreach and coordination efforts, and to participate in other interagency initiatives.

## CONTINUE IMPROVEMENTS IN DEPARTMENTAL MANAGEMENT

The Secretary and Deputy Secretary are focused on improving the effectiveness and efficiency of Departmental management. One specific goal in FY 2000 is to complete the transition of the PTO into a Performance-Based Organization, as was approved at the beginning of FY 2000. This will require the PTO to operate along the lines of a commercial business. In addition, we will continue to strengthen oversight of our financial assistance programs to ensure that all guidelines are properly followed in the granting of awards and funds. Other initiatives will focus on security, facilities management, and field office streamlining. Further goals include improving the protection of the nation's critical infrastructure; restructuring the CIO/IT organization within the Department to improve information technologies management; and expanding the implementation of CAMS.

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